

SECOND REGULAR SESSION  
[TRULY AGREED TO AND FINALLY PASSED]  
HOUSE COMMITTEE SUBSTITUTE FOR

# SENATE BILL NO. 837

93RD GENERAL ASSEMBLY

2006

3660L.03T

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## AN ACT

To repeal sections 376.961, 379.860, and 383.175, RSMo, and to enact in lieu thereof three new sections relating to insurance board membership.

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*Be it enacted by the General Assembly of the State of Missouri, as follows:*

Section A. Sections 376.961, 379.860, and 383.175, RSMo, are repealed  
2 and three new sections enacted in lieu thereof, to be known as sections 376.961,  
3 379.860, and 383.175, to read as follows:

376.961. 1. There is hereby created a nonprofit entity to be known as the  
2 "Missouri Health Insurance Pool". All insurers issuing health insurance in this  
3 state and insurance arrangements providing health plan benefits in this state [on  
4 and after January 1, 1991,] shall be members of the pool.

5 2. [The director shall give notice to all insurers and insurance  
6 arrangements of the time and place for the initial organizational meetings.]  
7 **Beginning January 1, 2007**, the board of directors shall [be selected by the  
8 pool participants, and shall consist of seven members: one member each from the  
9 three largest domestic insurance companies participating in the pool, based on  
10 premium income in Missouri; one member each from the two largest domestic  
11 health services corporations participating in the pool, based on premium income  
12 in Missouri; one member from an independent domestic health maintenance  
13 organization participating in the pool; and one member from the general public  
14 who is not an insurer, or any officer, director, or employee of an insurer. Two  
15 members of the board of directors shall be of minority groups and at least one  
16 such member shall be an African-American. The board shall appoint one or more  
17 insurers to serve as administrator. Both the selection of the board of directors

**EXPLANATION—Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.**

18 and the administering insurer shall be subject to approval by the director.

19           3. If, within sixty days of the organizational meeting, the board of  
20 directors is not selected or the administering insurer is not appointed, the  
21 director shall appoint the initial board and appoint an administering insurer]  
22 **consist of the director of the department of insurance or the director's**  
23 **designee, and eight members appointed by the director. Of the initial**  
24 **eight members appointed, three shall serve a three-year term, three**  
25 **shall serve a two-year term, and two shall serve a one-year term. All**  
26 **subsequent appointments to the board shall be for three-year**  
27 **terms. Members of the board shall have a background and experience**  
28 **in health insurance plans or health maintenance organization plans, in**  
29 **health care finance, or as a health care provider or a member of the**  
30 **general public; except that, the director shall not be required to**  
31 **appoint members from each of the categories listed. The director may**  
32 **reappoint members of the board. The director shall fill vacancies on**  
33 **the board in the same manner as appointments are made at the**  
34 **expiration of a member's term.**

          379.860. 1. This program shall be administered by a governing committee  
2 (hereinafter referred to as "the committee") of the facility, subject to the  
3 supervision of the director, and operated by a manager appointed by the  
4 committee.

5           2. The committee shall consist of thirteen members:

6           (1) Ten members shall be elected from the following:

7           American Insurance Association, two

8           **[Alliance of American Insurers] Property Casualty Insurers**  
9 **Association of America, two**

10           National Association of [Independent Insurers, two] **Mutual Insurance**  
11 **Companies, one**

12           **Missouri Insurance Coalition, one**

13           All other stock insurers, two

14           All other nonstock insurers, two

15           (2) Three members shall be appointed by the director from each of the  
16 following:

17           Missouri insurer, one

18           Licensed agent of an insurer, two

19           Not more than one insurer in a group under the same management or

20 ownership shall serve on the committee at the same time.

21           3. In case of a vacancy on the governing committee the director shall  
22 appoint a representative to such vacancy pending the designation or election as  
23 provided in the program.

24           [4. A temporary governing committee shall be appointed by the director  
25 to serve until an official committee is duly elected and appointed.]

          383.175. The association shall be governed by a board of eight directors,  
2 to be appointed by the director for the terms specified in the plan of  
3 operation. Two directors shall represent insurers which write bodily injury  
4 insurance in Missouri and are members of the [National Association of  
5 Independent Insurers] **Property Casualty Insurers Association of America**,  
6 two shall represent insurers which write bodily injury insurance in Missouri and  
7 are members of the [American Mutual Insurance Alliance] **Missouri Insurance**  
8 **Coalition**, two shall represent insurers which write bodily injury insurance in  
9 Missouri and are members of the American Insurance Association, and two shall  
10 represent insurers which write bodily injury insurance in Missouri but are not  
11 members of any of the foregoing trade associations. The directors shall be  
12 reimbursed out of the administrative funds of the association only for necessary  
13 and actual expenses incurred for attending meetings of the governing board.

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